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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

◆**Corn.** The final forecast for 1999 corn production is 9.54 billion bushels, down 2% from 1998. U.S. ending stocks are forecast at 1994 million bushels, up 11% from the 1998/99 ending stocks level. Worldwide, the 1999/00 ending stocks are forecast to be 6% above the 1998/99 ending stocks level. A market year average price between \$1.60 and \$2.00 a bushel is expected, compared to \$1.94 for the 1998 crop.

◆**Soybeans.** The 1999 soybean crop final forecast, at 2.67 billion bushels, is down 2% from last year's record of 2.74 billion bushels. However, the 1999/00 ending stocks for soybeans are forecast to be 14% above the 1998/99 ending stock level. Soybean oil ending stocks are forecast to be 39% above the 1998/99 level, while soybean meal is forecast to be down 24%. A market year average price is projected between \$4.45 and \$4.95 per bushel, compared with \$4.93 for the 1998 crop year.

◆**Cotton.** Higher production and exports highlight this month's U.S. cotton situation. Production is forecast at 16.9 million 480-pound bales, up 344,500 bales from last month, and up 21 percent from 1998. Yield is expected to average 604 pounds per harvested acre, down 21 pounds from last year. Texas production was increased 300,000 bales from November's forecast, while California production was increased 50,000 bales. Prospective U.S. exports have improved because of higher than average production of short staple export-quality cotton, increased foreign demand, and the Step 2 market enhancement program.

◆**All Rice.** U.S. rice production final forecast, at a record high 212 million cwt, is up 13% from 1998. The 1999/00 U.S. ending stocks are forecast to be 125% above the 1998/99 ending stocks level. The market year average price is expected to average between \$5.50 and \$6.00 per cwt compared to \$8.83 per cwt for the 1998/99 crop.

◆**Wheat.** All wheat production in 1999 totaled 2.31 billion bushels, down 9% from 1998. However 1999/00 ending stocks are forecast at 1,027 million bushels, 9% above 1998/99 ending stocks level. The market year average price is expected to average between \$2.45 and \$2.55 per bushel compared to \$2.65 per bushel for the 1998 crop.

◆**Other Crops.** The **Durum Wheat** crop, at 100 million bushels, was down 27% from last year. The **Other Spring Wheat** crop, at 509 million bushels, was down 4% from a year ago. **Barley** production was estimated at 282 million bushels, 20% below 1998. **Grain Sorghum** production is forecast at 596 million bushels, 15% above the 1998 production of 520 million bushels. The U.S. yield is forecast at 70.2 bushels per acre, 2.9 bushels above the 1998 yield. The **peanut crop** is forecast at 3.83 billion pounds, down 3% from last year; **pecan** production, known for its alternate bearing pattern, was up 121%; and **burley tobacco** was down 6% from last year. Fall potato production is down 1% from last year and December 1 stocks are down 2% from last year. The all orange production forecast for 1999-2000, at 12.2 million tons, is up 24% from last season.

◆**Cattle.** December 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 11.75 million head, up 6% from a year earlier. November placements were up 5% from the previous year. Marketings of fed cattle were 5% above 1998. At mid-December, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$69 per cwt. Prices for the first 3 months of 2000 are expected to average \$67-71. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$89 per cwt in mid-December, up \$4 from mid-November.

◆**Hogs.** During the first three weeks of December slaughter, has been running about 6-7% below a year ago. Prices at mid-December (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$37 per cwt, unchanged from mid-November. First quarter 2000 prices are expected to average around \$35 per cwt.

◆**Other Livestock.** November **milk production** was up 4.4% from the previous year. Production per cow increased 3.6%, however, the number of cows was only up slightly from November 1998. The November **Basic Formula Price (BFP)** was \$9.79 per cwt, down \$1.70 from October. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) decreased 1.9 cents for the first week of December and decreased 1.0 cent for the second week. This suggests that the December BFP will be down. During October, total **cheese production** was 5.2% above the previous year; **butter production** was up 5.4%; and **nonfat dry milk production** was up 35.4%. US table **egg production** totaled 5.96 billion during November, up 5% from 1998. Wholesale market **egg prices** for the fourth quarter of 1999 (Grade A large, New York) are expected to average 63-64 cents per dozen, compared with 81.7 cents a year ago. First quarter 2000 egg prices are expected to average 58-62 cents per dozen, compared with 75.0 cents a year ago. **Broiler-Type Eggs** in incubators on December 1 totaled 614 million, 1% less than last year. Broiler-type hatch for November 1999 was 674 million, 1% below a year ago. The wholesale 12-city average price for whole **broilers** for the fourth quarter of 1999 is expected to be 57-58 cents, compared to 64.5 cents for the fourth quarter of last year. First quarter 2000 broiler prices are expected to average 53-55 cents per pound compared with 58.1 cents for first quarter 1999. Cumulative **turkey poult placements** for the 2000 marketing year through November were 67.6 million, 2% more than the same period a year ago. Placements in November, at 23.5 million, were 6% more than last November. Prices (8-16 lb. hens, Eastern Region) for the fourth quarter of 1999 are expected to average 77-78 cent range compared with 71.2 cents for the fourth quarter last year. Turkey prices for the first quarter of 2000 are expected to average 63-67 cents per pound, compared with the 59.4 cents average for the first quarter of 1999. **Supplies in refrigerated warehouses** at the end of November compared with a year earlier were: total chicken, up 19%; turkey, down 20%; pork, down 7%; beef, down 8%; and frozen orange juice, down 28%.

◆**Trade.** December U.S. **trade projections** for cotton improved while 1999/2000 export prospects for wheat declined compared with last month. Corn, rice, soybeans, beef, pork, broilers, and turkeys were unchanged from November. December projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat up 3%; corn down 3%; rice down 2%; soybeans up 8%; soybean meal up 4%; soybean oil down 24%; and cotton up 43%.** December projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef down 3%; pork down 6%; broilers up 1%; and turkeys up 10%.** The U.S. trade deficit for goods and services increased to \$25.9 billion in October from a revised \$24.2 billion in September. The U.S. agricultural trade surplus was \$1.431 billion in October, compared with \$1.047 billion in September.

◆**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, increased 0.1% in November and has increased 2.6% over the last 12 months. The **PPI** increased 0.2% in November, following an October decrease of 0.1%. The PPI increased 3.1% for the 12-month period ending in November. The November **prime rate**, averaging 8.37%, was up from 8.25% in October. Compared to a year earlier, **feed prices** in November were down 1%; **feeder livestock and poultry prices** up 22%; **fertilizer** down 1%; **ag chemicals** up 2%; **farm machinery** down 1%; **seeds** down 2%; and **fuels** up 49%.

◆**World Weather and Crop Developments** (December 12-18). In the U.S., significant precipitation fell from eastern Texas northeastward into southern Indiana. Portions of the Pacific Northwest continued to receive heavy precipitation for the eighth consecutive week. Temperatures across the U.S. were above normal, except in southern Texas, New Mexico, and parts of Arizona and Louisiana. Florida's citrus belt received much-needed rain, allowing caretakers to discontinue their irrigation. Vegetable harvest in Florida was active for the holiday market; however, rain delayed some activity at the end of the week. In **Australia** cool, wet weather hindered winter crop harvesting in Western Australia and much of eastern Australia. The rain in Western Australia ended a very favorable period for grain and oilseed harvesting. In the east, showers continued to affect winter crop areas in Queensland and New South Wales, which have suffered from excessive wetness throughout the spring and early summer. For **South America**, widespread early-week showers in southern **Brazil** continued to increase soil moisture for vegetative corn and soybeans. In **South Africa** rainfall was unfavorably light across the corn belt, raising concern for emerging summer crops. It was the second week of below-normal rainfall in the important corn area of North West and Free State, although temperatures remained seasonable. More rain is needed throughout this portion of the corn belt to ensure normal development of emerging to vegetative crops. In **Western FSU** a persistent southerly flow of air kept unseasonably mild weather entrenched across most winter grain areas.

◆**Other News.** **Net farm income** is forecast at \$40.4 billion in 2000, down \$7.6 billion from the preliminary estimate of \$48.1 billion for 1999. Net cash income is forecast at \$49.7 billion, \$9.4 billion less than the preliminary estimate for 1999 of \$59.1 billion. From a longer term perspective, net farm income is forecast to be 88% of the 1990-99 average, with net cash income at 90% of the 1990-99 average. **U.S. economic expansion continued in 1999** near the 4-percent rate of 1997 and 1998, but growth in Gross Domestic Product is expected to slow slightly in 2000 to 3.5%. Over 2.5 million jobs will be added in 2000, and compensation will rise 3.6% overall, triggering a strong rise in personal income. **U.S. price competitiveness** due to lower exchange rates is expected to improve in 2000. The dollar's inflation-adjusted value depreciated on average in 1999 from 1998 and is forecast to weaken further in 2000, making U.S. products more competitive in foreign markets.
